

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6608**

**BILL NUMBER: SB 351**

**NOTE PREPARED:** Jan 9, 2008

**BILL AMENDED:**

**SUBJECT:** Property tax limitations and procedures.

**FIRST AUTHOR:** Sen. Nugent

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** \_\_\_ **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Establishes a property tax rate control and rate increase program for local units of government, including school corporations, for all funds. Requires taxing units beginning in 2010 to use property tax rates for taxes first due and payable in 2009. Combines the school transportation fund with the school general fund. Separates the rate controls for civil taxing units into four categories: (1) social service funds; (2) bonds and leases paid from a debt service fund; (3) cumulative or capital funds; and (4) all other funds. Exempts the tax levy needed to pay for 1925, 1937, and 1953 pension plans from the controls. Allows increases in the property tax rate over the maximum permissible rate for taxes first due and payable after 2009 only with the approval of the county board of tax and capital projects review ("county board") for all four categories. Provides that the rate is adjusted downward each year using the change in the implicit price deflator for construction costs. Establishes a referendum procedure allowing voters to contest the county board's decision. Requires county board approval of certain bonds and leases that will be paid from a taxing unit's debt service fund. Eliminates department of local government finance (DLGF) review of all cumulative funds, and eliminates DLGF discretion with respect to increasing, decreasing, or modifying a taxing unit's budget. Requires the DLGF to review each taxing unit's budget, tax rate, and tax levy for accuracy. Makes numerous changes to correct references. Repeals obsolete provisions.

**Effective Date:** July 1, 2008; January 1, 2009.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.